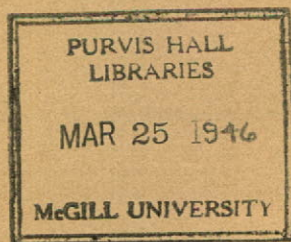
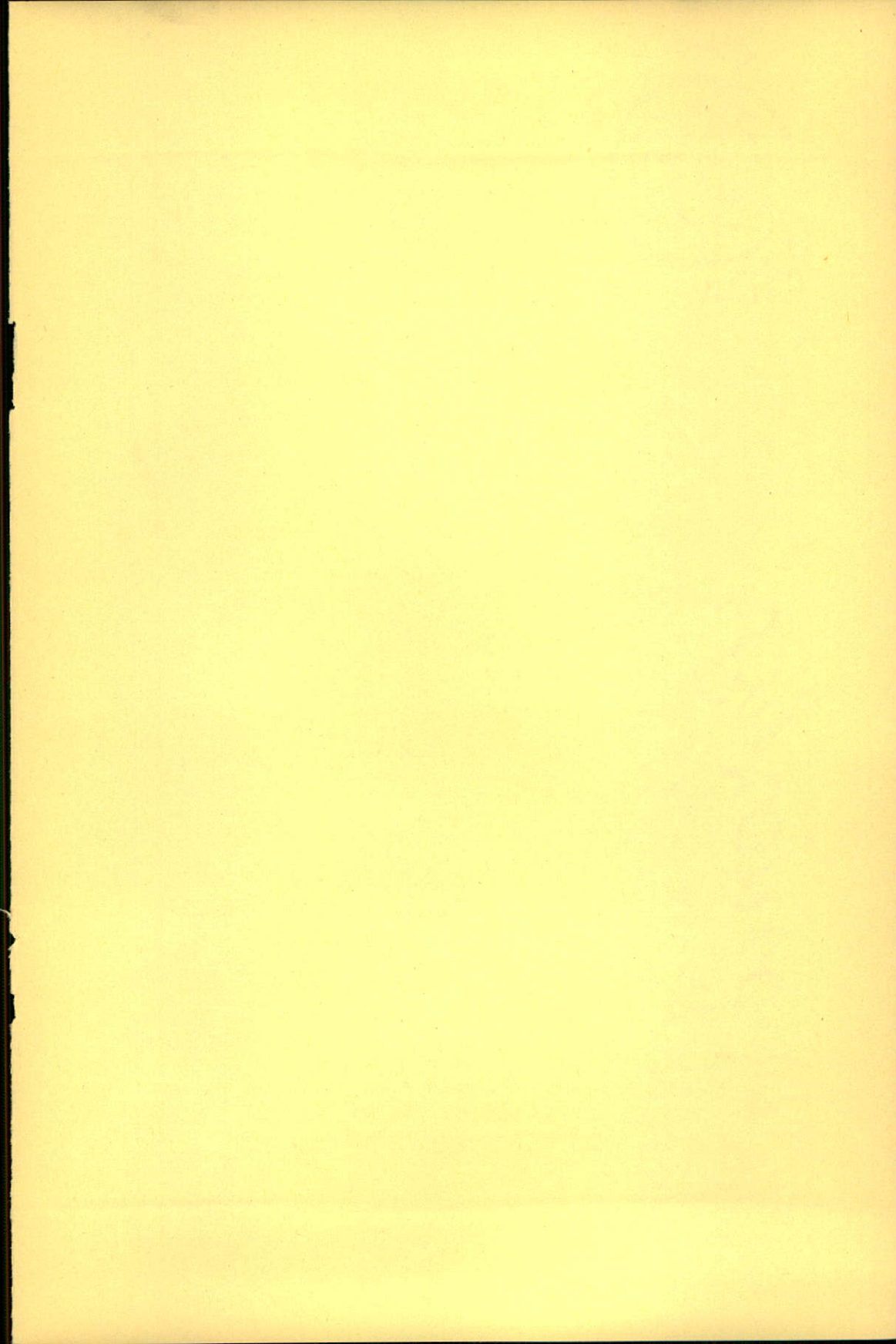


TENTH
ANNUAL REPORT
of
Canadian Wirebound Boxes
LIMITED
TORONTO . . CANADA



Year Ended April 30th, 1938





Canadian Wirebound Boxes

LIMITED

DIRECTORS

A. K. Cameron

A. M. Dunn

H. A. Greene

E. G. McMillan

H. M. Millar

Stuart B. Playfair

H. L. Trapp

D. L. White, Jr.

OFFICERS

D. L. White, Jr.	-	-	Chairman Board of Directors
A. M. Dunn	-	-	President and Managing Director
H. A. Greene	-	-	Vice-President
J. P. Berney	-	-	Secretary-Treasurer

**TRANSFER AGENT
AND REGISTRAR OF TRANSFERS**

at Toronto

Chartered Trust and Executor Company

To the Shareholders,

CANADIAN WIREBOUND BOXES, LIMITED.

The Board of Directors submits herewith the tenth annual report of the Company, together with the financial statement for the year ended April 30th, 1938, as certified to by your auditors.

The Company's earnings have been maintained despite the slowing up in business conditions during the last half of the year. The net earnings for the year, before depreciation and income taxes, amounted to \$232,413.82; after providing for depreciation of \$52,144.32 and Federal and Provincial income taxes of \$20,731.33, a net profit of \$159,538.17 is shown. This profit has been transferred to Earned Surplus Account and after making provision for dividends, transfer to special surplus account as required and adjustment re sale of machinery, there remains a balance of \$158,624.94 to be carried forward as earned surplus.

Dividends amounting to \$2.50 per share were paid on the Class A shares during the year under review, which is \$1.00 in excess of the cumulative rate of \$1.50 per year and reduces the arrears thereon as at April 30th, 1938 to \$2.25 per share.

The working capital of the Company now stands at \$338,814.74 as compared with \$325,113.46 on April 30th, 1937. The increase in working capital is accounted for as follows:

Increases:

Net Earnings for the year (before depreciation and income taxes)	232,413.82	
Sundry Adjustments	2,787.38	
		235,201.20

Decreases:

Dividends on Class A Shares	130,441.25	
Purchase of 700 Class A Shares	16,100.00	
Purchase of Machinery and Equipment, Increase in Out- side Investments and Ad- vances and Adjustment of Cash Surrender Value Life Insurance	54,227.34	
Provision for Federal and Pro- vincial Income Taxes	20,731.33	
		221,499.92
Net Increase in Working Capital		<u>\$13,701.28</u>

Under authority granted the Company, 700 shares of Class A stock were purchased during the year, thereby reducing to 51,884 the number of such shares outstanding at April 30th, 1938.

The book value of patents, leases, etc., has been further reduced to \$641,618.18 by the transfer of the credit of \$2,100.00 arising from the purchase of Class A shares.

Your Company have recently concluded an agreement for the extension of exclusive Patent Licenses covering improved wirebound boxes which are known as Rock Fastener and All-bound boxes. This new type of wirebound container has made satisfactory progress in the United States and is now being introduced into Canada by your Company. New equipment costing approximately \$50,000.00 has recently been installed for the production of these containers and your directors anticipate an increase in volume of sales as a result of this investment.

On behalf of myself and the directors I wish to express appreciation of the splendid services rendered by the executives and employees during the year.

A. M. DUNN,
President.

July 26th, 1938.

CANADIAN WIREBOUND BOXES, LIMITED

BALANCE SHEET

(April 30th, 1938)

ASSETS

Current Assets:

Cash on hand and in banks.....	65,133.63	
Accounts Receivable; less Reserve for Bad Debts	171,132.12	
Inventory, Merchandise and Supplies — at the lower of cost or market, as certified by the management.....	239,616.68	
Prepaid Expenses and Accrued Revenue.....	12,045.43	
		487,927.86

Cash Surrender Value of Life Insurance..... 1,250.00

Outside Investment and Advances..... 24,583.56

Fixed Assets:

Land, Buildings and Equipment, at depreciated appraisal values as of April 14th, 1928, plus subsequent additions at cost.	1,057,332.48	
Less Reserve for Depreciation.....	394,813.48	
		662,519.00

Patents, Leases, etc..... 641,618.18

\$1,817,898.60

LIABILITIES

Current Liabilities:

Accounts and Bills Payable.....	108,323.48	
Accrued Expenses	19,279.62	
Provision for Federal and Provincial Taxes	21,510.02	
		149,113.12

Capital and Surplus:

Class A Stock (no par value):		
Authorized, 150,000 shares:		
Issued	90,000 shares	
Redeemed and Cancelled,	38,116 shares	
	51,884 shares	
		1,388,984.00
Class B Stock (no par value):		
Authorized and Issued,	40,000 shares	
Earned Surplus		158,624.94
Special Surplus		121,176.54
		1,668,785.48
		<u><u>\$1,817,898.60</u></u>

Note: Arrears of dividends on Class A Shares to April 30th, 1938 amounted to \$2.25 per share.

CANADIAN WIREBOUND BOXES, LIMITED

PROFIT AND LOSS ACCOUNT

(Year ended April 30th, 1938)

Net Profit, before depreciation and income taxes.....	232,413.82
Deduct Provision for depreciation.....	52,144.32
Net Profit, before Income Taxes	180,269.50
Deduct Provision for Federal and Provincial Income Taxes.....	20,731.33
Net Profit for year	<u>\$159,538.17</u>

EARNED SURPLUS ACCOUNT

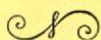
(Year ended April 30th, 1938)

Earned Surplus, April 30th, 1937.....	145,334.22
Add:	
Net Profit for year.....	159,538.17
Profit on Sale of Machinery.....	164.02
	<u>\$305,036.41</u>
Deduct:	
Dividends on Class A Shares.....	130,441.25
Transfer to Special Surplus Account.....	15,970.22
	<u>146,411.47</u>
Earned Surplus, April 30th, 1938	<u>\$158,624.94</u>

SPECIAL SURPLUS ACCOUNT

(Year ended April 30th, 1938)

Special Surplus, April 30th, 1937.....	105,206.32
Add Transfer from Earned Surplus Account.....	15,970.22
Special Surplus, April 30th, 1938	<u>\$121,176.54</u>



AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the books and accounts of Canadian Wirebound Boxes, Limited for the year ended April 30th, 1938, and hereby report that all our requirements, as auditors, have been complied with and that, in our opinion, the foregoing Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, as shown by the books, as of the date thereof.

THORNE, MULHOLLAND, HOWSON & McPHERSON,
Toronto, July 26th, 1938. Chartered Accountants.

Products your Company Manufactures

WIREBOUND BOXES and CRATES

Three Types:

4-ONE

ROCK FASTENER

ALL BOUND

PLYWOOD
CASES

NAILED BOXES

BOTTLE BOXES

CORRUGATED
CARTONS
and
SPECIALTIES

SINGLE FACE
ROLLS

DOMINION
SLIDING
DRAWER
STORAGE
FILES



FACTORIES:

TORONTO, ONT.
1000 GERRARD ST. EAST

MONTREAL, QUE.
6259 NOTRE DAME ST. EAST

